

AMENDED IN SENATE JUNE 14, 2006

AMENDED IN ASSEMBLY MAY 27, 2005

AMENDED IN ASSEMBLY MAY 9, 2005

AMENDED IN ASSEMBLY APRIL 21, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1632

Introduced by Assembly Member Blakeslee

**(Coauthors: Assembly Members De La Torre, Evans, Harman,
and Levine)**

(Coauthors: Senators Chesbro, Escutia, Harman, and Kehoe)

February 22, 2005

An act to amend Section 25303 of the Public Resources Code,
relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1632, as amended, Blakeslee. Energy: planning and forecasting.

The Warren-Alquist State Energy Resources Conservation and Development Act requires the State Energy Resources Conservation and Development Commission to prepare an integrated energy policy report every 2 years. The act requires the commission to ~~conduct electricity and natural gas forecasting and assessment activities, as specified, in reporting on~~, *in its report, to consider* to conduct electricity and natural gas forecasting and assessment activities, as specified, in reporting on electricity and natural gas markets.

This bill would require the commission, as part of its electricity and natural gas forecasting and assessment activities, to compile and assess existing scientific studies, as specified, to determine the

potential vulnerability, to a major disruption due to aging or a major seismic event, of large baseload generation facilities of 1,700 megawatts or greater, including a specified analysis of the impact of a major disruption on system reliability, public safety, and the economy. *The bill would also require the commission, in absence of a long-term nuclear waste storage facility, develop a strategy to address the potential state and local costs and impacts associated with accumulating waste at California's nuclear powerplants and include the information in the November 1, 2007, integrated energy policy report.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 25303 of the Public Resources Code is
2 amended to read:
3 25303. (a) The commission shall conduct electricity and
4 natural gas forecasting and assessment activities to meet the
5 requirements of paragraph (1) of subdivision (a) of Section
6 25302, including, but not limited to, all of the following:
7 (1) Assessment of trends in electricity and natural gas supply
8 and demand, and the outlook for wholesale and retail prices for
9 commodity electricity and natural gas under current market
10 structures and expected market conditions.
11 (2) Forecasts of statewide and regional electricity and natural
12 gas demand including annual, seasonal, and peak demand, and
13 the factors leading to projected demand growth including, but not
14 limited to, projected population growth, urban development,
15 industrial expansion and energy intensity of industries, energy
16 demand for different building types, energy efficiency, and other
17 factors influencing demand for electricity. With respect to
18 long-range forecasts of the demand for natural gas, the report
19 shall include an evaluation of average conditions, as well as best
20 and worst case scenarios, and an evaluation of the impact of the
21 increasing use of renewable resources on natural gas demand.
22 (3) Evaluation of the adequacy of electricity and natural gas
23 supplies to meet forecasted demand growth. Assessment of the
24 availability, reliability, and efficiency of the electricity and
25 natural gas infrastructure and systems including, but not limited

1 to, natural gas production capability both in and out of state,
2 natural gas interstate and intrastate pipeline capacity, storage and
3 use, and western regional and California electricity and
4 transmission system capacity and use.

5 (4) Evaluation of potential impacts of electricity and natural
6 gas supply, demand, and infrastructure and resource additions on
7 the electricity and natural gas systems, public health and safety,
8 the economy, resources, and the environment.

9 (5) Evaluation of the potential impacts of electricity and
10 natural gas load management efforts, including end-user response
11 to market price signals, as a means to ensure reliable operation of
12 electricity and natural gas systems.

13 (6) Evaluation of whether electricity and natural gas markets
14 are adequately meeting public interest objectives including the
15 provision of all of the following: economic benefits; competitive,
16 low-cost reliable services; customer information and protection;
17 and environmentally sensitive electricity and natural gas
18 supplies. This evaluation may consider the extent to which
19 California is an element within western energy markets, the
20 existence of appropriate incentives for market participants to
21 provide supplies and for consumers to respond to energy prices,
22 appropriate identification of responsibilities of various market
23 participants, and an assessment of long-term versus short-term
24 market performance. To the extent this evaluation identifies
25 market shortcomings, the commission shall propose market
26 structure changes to improve performance.

27 (7) Identification of impending or potential problems or
28 uncertainties in the electricity and natural gas markets, potential
29 options and solutions, and recommendations.

30 (8) (A) Compilation and assessment of existing scientific
31 studies that have been performed by persons or entities with
32 expertise and qualifications in the subject of the studies, to
33 determine the potential vulnerability, to a major disruption due to
34 aging or a major seismic event, of large baseload generation
35 facilities, of 1,700 megawatts or greater.

36 (B) The assessment specified in subparagraph (A) shall
37 include an analysis of the impact of a major disruption on system
38 reliability, public safety, and the economy.

39 (C) The commission may work with other public entities and
40 public agencies, including, but not limited to, the California

1 Independent System Operator, the Public Utilities Commission,
2 the Department of Conservation, and the Seismic Safety
3 Commission as necessary, to gather and analyze the information
4 required by this paragraph.

5 (D) Upon completion and publication of the initial review of
6 the information required pursuant to this paragraph, the
7 commission shall perform subsequent updates as new data or
8 new understanding of potential seismic hazards emerge.

9 (b) Commencing November 1, 2003, and every two years
10 thereafter, to be included in the integrated energy policy report
11 prepared pursuant to Section 25302, the commission shall assess
12 the current status of the following:

13 (1) The environmental performance of the electric generation
14 facilities of the state, to include all of the following:

15 (A) Generation facility efficiency.

16 (B) Air emission control technologies in use in operating
17 plants.

18 (C) The extent to which recent resource additions have, and
19 expected resource additions are likely to, displace or reduce the
20 operation of existing facilities, including the environmental
21 consequences of these changes.

22 (2) The geographic distribution of statewide environmental,
23 efficiency, and socioeconomic benefits and drawbacks of
24 existing generation facilities, including, but not limited to, the
25 impacts on natural resources including wildlife habitat, air
26 quality, and water resources, and the relationship to demographic
27 factors. The assessment shall describe the socioeconomic and
28 demographic factors that existed when the facilities were
29 constructed and the current status of these factors. In addition,
30 the report shall include how expected or recent resource additions
31 could change the assessment through displaced or reduced
32 operation of existing facilities.

33 (c) *In the absence of a long-term nuclear waste storage*
34 *facility, the commission shall develop a strategy to address the*
35 *potential state and local costs and impacts associated with*
36 *accumulating waste at California's nuclear powerplants. The*
37 *commission shall include the information in the November 1,*
38 *2007, integrated energy policy report.*

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